

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

CHRISTEL SLAUGHTER, PhD, CHAIR
SMALL BUSINESS COUNCIL

TOM SULLIVAN, EXECUTIVE DIRECTOR
SMALL BUSINESS COUNCIL

February 5, 2019

The Honorable Nydia Velazquez
Chairwoman
Committee on Small Business
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Steve Chabot
Ranking Member
Committee on Small Business
U.S. House of Representatives
Washington, D.C. 20515

Re: February 6 Hearing entitled, “The Shutdown: Economic Impact on Small Businesses”

Dear Chairwoman Velazquez and Ranking Member Chabot:

I am writing to thank you for holding a hearing on how the recent government shutdown affected small businesses, and I ask that you consider this information in conjunction with the witnesses who will appear at tomorrow’s hearing.

I am Christel Slaughter, Ph.D., CEO of SSA Consultants based in Baton Rouge, Louisiana and the Chair of the U.S. Chamber of Commerce’s Small Business Council. Over 99% of private sector businesses in the United States are defined as small.¹ Similarly, the vast majority of Chamber member companies are small businesses and the Small Business Council works to ensure their views are considered as part of the Chamber’s policy-making process. We are pleased that one of our Small Business Council members, America’s Small Business Development Centers, will be part of tomorrow’s hearing.

The recent thirty-five day shutdown resulted in \$11 billion in lost growth in domestic product and 800,000 workers who were furloughed.² The Congressional Budget Office (CBO) estimates that the U.S. economy will not recover \$3 billion of that lost growth, but the numbers don’t even begin to tell the human story.

The U.S. Chamber of Commerce Foundation convened several small business owners on Friday morning, January 25th, to examine the toll of a government shutdown on their livelihoods.³ Jerry Brandon, owner of the Riverview Hotel, explained how suspended ferry service by the National Park Service essentially evaporated his customer pool overnight.⁴ Captain Jack Morris explained

¹ *Frequently Asked Questions*, Office of Advocacy, U.S. Small Business Administration (August 2018), viewable at: <https://www.sba.gov/sites/default/files/advocacy/Frequently-Asked-Questions-Small-Business-2018.pdf>.

² *The Effects of the Partial Shutdown Ending in January 2019*, Congressional Budget Office (January 2019), viewable at: <https://www.cbo.gov/system/files?file=2019-01/54937-PartialShutdownEffects.pdf>.

³ *Day 35: The Real Economic Impact of the Government Shutdown*, U.S. Chamber of Commerce Foundation (January 25, 2019), Webcast of the proceedings viewable at: <https://www.uschamberfoundation.org/slideshow/day-35-real-economic-impact-government-shutdown>.

⁴ *Fallout from the Shutdown*, Thomas J. Donohue, U.S. Chamber of Commerce (January 28, 2019), viewable at: <https://www.uschamber.com/series/above-the-fold/fallout-the-shutdown>.

how the shutdown prevented one of his vessels from fishing.⁵ Jason Sherman, owner of TapRM, explained how the government shutdown prevented him from opening up a new retail shop in Brooklyn and he estimated losses of nearly \$1,500 to \$2,000 a day.⁶

Earlier in the week, the Chamber partnered with the Professional Services Council to understand how the government shutdown impacted small business federal contractors. We found that more than 41,000 small businesses that service contracts for federal agencies risked losing \$2.3 billion worth of work.⁷

These narratives, along with thousands of additional examples, tell the story of how a government shutdown impacts main street small businesses and why the U.S. Chamber joined with 645 state and local chambers of commerce and national trade associations to urge the President and Congress to end the shutdown.⁸

While we are pleased that a bipartisan group of lawmakers helped end the shutdown, keeping government open is not something businesses large and small should have to worry about and we pledge our support to meet those businesses' expectations.

Thank you for your consideration and please do not hesitate to contact Tom Sullivan at the U.S. Chamber of Commerce if you have questions about the content of this letter.

Sincerely,



Christel Slaughter, PhD
CEO
SSA Consultants
Baton Rouge, Louisiana

⁵ "We Need to Fish" New Bedford fishermen tells toll of shutdown, Michael Bonner, SouthCoasttoday (January 25, 2019), viewable at: <https://www.southcoasttoday.com/news/20190125/we-need-to-fish-new-bedford-fishermen-tells-toll-of-shutdown>.

⁶ *Small business beer distributor loses upward of \$2K/day over government shutdown*, Henry Fernandez, Small Business, FoxBusiness (January 21, 2019), viewable at: <https://www.foxbusiness.com/small-business/small-business-beer-distributor-loses-upwards-to-2000-a-day-over-government-shutdown>.

⁷ *Estimating the Potential Impact of the Federal Shutdown on Small Business Contractors*, Contracting Data from DHS, NASA, State, Justice, Transportation, Agriculture, AID, Treasury, Commerce Interior, EPA, FDA, and HUD compiled by Paul Murphy, Senior Data Analyst, Bloomberg.gov (January 24, 2019), viewable at: <http://bit.ly/2WDeU1IPSCShutdown>.

⁸ *Coalition Letter – Ending the Shutdown and Reopening the Federal Government*, (January 24, 2019), viewable at: <https://www.uschamber.com/letter/coalition-letter-ending-the-shutdown-and-reopening-the-federal-government-0>.